

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Ref. No. 29209

**OBJECTION OF THE FTX RECOVERY TRUST TO SEYED ALI MAZLOUMAN’S
MOTION TO INTERVENE, FOR ABSTENTION, PROOF OF FUNDS,
INVALIDATION OF TERMINATION DEED, AND
NOTIFICATION OF U.S. AGENCIES**

The FTX Recovery Trust² hereby submits this objection (the “Objection”) to Seyed Ali Mazlouman’s *pro se Motion to Intervene, for Abstention, Proof of Funds, Invalidation of Termination Deed, and Notification of U.S. Agencies* [D.I. 29209] (the “Motion”), and respectfully states as follows:

BACKGROUND

1. Mr. Mazlouman is not a creditor of the Debtors: he has no timely filed or scheduled claims. Rather, he purports to have some form of litigation claim against a third-party cryptocurrency exchange, HitBTC.com, for its alleged misappropriation of approximately \$1,500 of cryptocurrency that he allegedly deposited on the HitBTC.com exchange in or around July 2019. (*See* Motion ¶ 1; Motion, Ex. M at 1.) There is no proper request for relief currently before the

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification number are 3288 and 4063 respectively. Due to the large number of post-effective date debtor entities in these chapter 11 cases, a complete list of the post-effective date debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Trust’s claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

² The FTX Recovery Trust (a/k/a the Consolidated Wind Down Trust) was established through the Debtors’ confirmed *Second Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates* [D.I. 26404], which became effective on January 3, 2025 [D.I. 29127].

Court, but the FTX Recovery Trust nonetheless files this Objection out of an abundance of caution to provide context to the Court and preserve its rights.

2. As a result of this alleged misappropriation, Mr. Mazlouman asserts an interest in claims allegedly filed or acquired by entities affiliated with HitBTC.com—specifically Bequant Pro Limited (“Bequant”), Blooming Triumph International Limited (“Blooming”), and BlockForce Capital Management, LLC (“BlockForce”)—and requests that the Court (i) “grant intervention to allow [Mr. Mazlouman] to assert and protect [his] property interests;” (ii) abstain from adjudicating claim numbers 76986, 51021, 81211, 80491, 80785, 82678, 81880, 81962, 82293, and 82425; (iii) compel the alleged HitBTC.com affiliates “to produce verified documentation tracing the source and ultimate beneficiaries of disputed assets;” (iv) invalidate a transfer of claims between the alleged affiliates; and (v) notify certain government agencies of alleged breaches of law by HitBTC.com and its affiliates. (Motion at 19.) None of this relief is available or appropriate.

ARGUMENT

3. Based on his submission and the FTX Recovery Trust’s records, Mr. Mazlouman does not appear to be a party in interest with any standing to participate in these bankruptcy proceedings. These proceedings are not a “collection forum for third-party claims against creditors” or their affiliates, *In re Logan*, 2010 WL 1286651, at *2 (Bankr. E.D. Va. Mar. 29, 2010), because such efforts “unnecessarily complicate and delay the efficient administration of a bankruptcy estate,” *In re Brickell*, 292 B.R. 705, 709 (Bankr. S.D. Fla. 2003), *aff’d* 142 F. App’x 385 (11th Cir. 2005). That Mr. Mazlouman purports to be, at best, a creditor of a creditor does not give him an interest in these proceedings.

4. Furthermore, there are no scheduled hearings before this Court concerning the claims filed by Bequant, Blooming, and BlockForce. Rather, the Debtors' previously filed non-substantive objection to claim numbers 80491, 80785, 81211, 81880 [D.I. 28906] has been indefinitely adjourned. The FTX Recovery Trust is unaware of any other proceedings before the Court concerning HitBTC.com or its alleged affiliates.

5. The FTX Recovery Trust's reconciliation of claims is ongoing. The FTX Recovery Trust reserves all rights to object to any and all claims, including those referenced in Mr. Mazlouman's Motion. The FTX Recovery Trust also expressly reserves to raise further substantive or procedural objections to the Motion.

CONCLUSION

6. For the foregoing reasons, the Recovery Trust respectfully requests that the Court deny the Motion.

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Dated: January 17, 2025
Wilmington, Delaware

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